promote small and mini hydel projects.

— the development of mega power projects at mine pit-heads both in public and private sector with transmission facilities for evacuation of power to other regions was encouraged.

(b) to (d) Since the inception of the private power policy of the Government of India till date, central Electricity Authority (CEA) has accorded techno-economic clearance to 57 projects having an aggregate capacity of 29362.3 MW involving an estimated cost of Rs. 122008.61 crores for which complete Detailed Projects Reports (DPRs) had been received. Details of these projects are given in Annexure [*See* Appendix 189, Annexure No. 131]. The actual investment involved will crystallize only after these projects achieve financial closure and complete construction. Of the private power projects which have been accorded techno-economic clearance of CEA, details of completed and ongoing projects are given in Annexure. [*See* Appendix 189, Annexure No. 131]. The remaining projects will be taken up for implementation by the project promoters after the requisite inputs/ linkages are tied up and financial closure is achieved.

(e) Details of the schemes for setting up power projects in the private sector in the country for which the Detailed Projects Reports have been received in Central Electricity Authority (CEA) for techno-economic clearance, indicated their estimated completed costs, the project promoters, capacity and the pending inputs/ clearances/linkages are given in Annexure. [*See* Appendix 189, Annexure No., 131].

New Policy on Allocation of Electricity

5578. SHRI ABANI ROY: Will the Minister of POWER be pleased to state:

(a) whether the Central Government have recently announced a policy on allocation of electricity generated from its new projects by converting the existing Gadgil formula;

(b) whether some of the SEBs are willing to undertake power reforms;

(c) if so, the details thereof; and

(d) to what extent the new policy will affect on the working of SEBs and meet power shortages in the country?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir. It has been decided to treat

the Gadgil formula for allocation of power to the States/UTs as guidelines for new Central generating stations. Salient features of the Guidelines are given in the enclosed statement I (*See* below).

(b) and (c) conference of Chief Ministers and Power Ministers was held in New Delhi On 26.2.2000. The Conference discussed various measures for improving viability of State Electricity Boards including compulsory metering and distribution reforms. The conclusions arrived at in the Conference are given in the enclosed statement—II. (*See* below).

(d) The "guidelines' would enable reforming States in getting additional allocation of power from 15% unallocated quota from Central power stations and also from new power projects.

Statement-I

Salient Features of the Guidelines

(i) It will not disturb the allocation already made under the formula. There will be no change to the contents of the formula.

(ii) Power from the new central sector power stations will be made in accordance with power purchase agreements (PPAs) to be signed between the CPSU and the State/UT or any of their authorised agency/ Board.

(iii) First offer for purchase of power shall be made by the CPSU to each constituent (State/UT or their authorised agency) of the region as per their entitlement.

(iv) In case any constituent of the region does not buy its share or part thereof, the CPSU shall have the right to sell that power to any other State/UT in accordance with the PPA to be entered into by them. However, such offer by the CPSU shall first be made to the State (s)/ UT (s) within the region (where power station is located) before diverting the power to State(s)/UT(s) outside the region.

(v) Where there are more than one claimants to the surplus power, so offered, weightage in allocation shall be given to the power sector reforming States(s)/UT(s).

(vi) This does not affect allocation of 10% of the power to the State where the central thermal power plant is located and the 12% free power from the Central Hydel power stations to the State(s)/UT(s) of the regions (including the State where the hydel project is located).

Statement-II

Resolutions of the Chief Ministers/Power Ministers Conference Held on 26.02.2000

The Power Ministers' Conference took note of the impending difficult situation facing the power supply industry in the country due to continuing decline in commercial viability of the sector as a whole. It noted the fact that:

1. Outstanding dues of CPSUs have been increasing and have now reached Rs. 23,000 crores. This trend if maintained would adversely affect their current operations apart from inhibiting their future expansion plans.
2. Financial closure for private power projects is becoming increasingly difficult.
3. The states are unable to finance new projects on their own.
4. Increases in budgetary support from State Governments as well as Central Government for this sector is not feasible due to fiscal deficits.

II. The primary factors responsible for this unsustainable financial situation are:

(i) Theft and pilferage at the macro level are estimated to be over Rs. 20,000 crores per annum.

(ii) Technical losses in transmission & distribution for the country are also too high.

(iii) Large number of the thermal stations in the state sector run at an operational efficiency of less than 40%.

(iv) The average annual operational losses of the State Power Sector for the country is over as. 12,000 crores.

III. It was also recognised that the cross subsidies cannot be sustained if industrial tariffs make industry non- competitive in the new environment of increasing globalisation with elimination of quantitative and other restrictions. It becomes necessary to ensure that indian industry is not handicapped by unsatisfactory power supply or by tariff which makes it non-competitive. Further, the consumer, including the farmer has a legitimate claim for

uninterrupted good quality power supply. His willingness to pay reasonable costs is underestimated.

Resolutions

1. The Power Ministers' resolved after taking into account all the problems facing the power sector, that with the intention of achieving commercial viability and providing power at reasonable rate to all, reform must be undertaken with determination, vigor and a sense of urgency. Delay in reform only increases the financial cost of reforms, and the burden of liabilities only increases. Reforms must begin to show results within the next 2-3 years. The key elements of the reform strategy are:
   a. Energy Audit at all levels.
   b. Time-bound programme of 100% metering of all consumers by December 2001.
   c. Reduction and finally, elimination of power theft within a specified time frame.
   d. Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as an unit on a priority basis.
2. If the above appears unattainable in the existing set up corporatization/cooperatization/privatization of distribution, would have to be undertaken.
3. Since a large number of thermal stations within the State sector are running at a PLF below 40%, immediate Renovation & Modernisation including Life Extension would need to be undertaken on an urgent basis. Similarly, R&M/LE would require to be undertaken for old hydel power plants on priority.
4. Effective functioning of State Electricity Regulatory Commissions is essential for rationalization of tariff, and balancing the interests of the consumer and the need for commercial viability of the utilities in the environment where private sector participation in the industry is expected to gradually increase.
5. Unbundling and corporatization of State Electricity Boards/benchmarking through separate distribution profit centres/corporations/companies may facilitate the Regulatory Commissions in promoting competition within the power supply industry — competition being the key to lower prices.

6. It was noted that the power system network in country has an unmatched reach to consumers and with the installation of optic fibre cables along the existing power lines using its right of way, it has the potential of generating very large resources in the coming years by providing facilities for multipurpose communication including cable TV, IT services, Telecom services. etc. hence efforts need to be made to creatively tap this potential source of large revenue from convergence.

7. In order to promote reforms, a new draft central legislation which obviates the need for separate enactments for the States, is being considered. The draft Bill submitted by the NCAER would form the basis for a national debate and a consensus on the contents of the new Bill. The States would be sending their detailed comments on this draft Bill, to the Ministry of Power at the earliest.

Grid Sub-Station in Sangam Vihar

5579. SHRI GAYA SINGH: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that land for establishment of a Grid sub-station in Sangam Vihar, New Delhi has been provided to DVB;

(b) if so, what steps Government have taken/propose to take to complete the sub-station; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Delhi Vidyut Board is under the administrative and financial control of Government of NCT of Delhi. DVB has informed that the Board has purchased a plot for establishment of a 66 KV Grid Sub-station in village Devli near Sangam Vihar and the preliminary works in connection with the setting up of the Grid Sub-station have already been started by DVB.

Installation of New Power Projects

5580. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) whether Government have received proposals from different state Governments for the installation of new projects/expansion of the capacity of the existing power projects during 1998-99 and 1999-2000;

(b) if so, the action taken thereon and the present status thereof;